

**Statement of Alex Machaskee
President and Publisher
The Plain Dealer Publishing Co.
Before the Subcommittee on
Federalism and the Census
Committee on Government Reform
United States House of Representatives
"The Ohio Experience: What Can Be Done to Spur Brownfield
Development in America's Heartland?"
May 16, 2005**

Good morning, Mr. Chairman, and members of the Subcommittee.

My name is Alex Machaskee. I am the President and Publisher of The Plain Dealer Publishing Co. I represent Ohio's largest newspaper, with readership of over 1.1 million people daily. The Plain Dealer owns and operates a 245,000 square foot office building in downtown Cleveland, Ohio and a 600,000 square foot printing and distribution facility in Brooklyn, Ohio.

I am here today not as an expert on brownfields, but as a concerned stakeholder in the city of Cleveland who has a vested interest in the redevelopment activity of brownfield sites within the city. I will also discuss the reasons why The Plain Dealer was unable to build our \$200 million printing and distribution facility in the city of Cleveland, Ohio.

Back in the late 1980s we at The Plain Dealer made the decision to build a state-of-the-art production and distribution facility that would enable us to enhance our printing capabilities and more efficiently and cost effectively distribute our product. We had been on the Cleveland landscape for almost 150 years, so we naturally wanted to invest in Cleveland's growth by building our new facility within the city limits.

At that time we had identified many sites in Northeast Ohio that were large enough to accommodate our needs and met other specific criteria such as proximity to our circulation base and access to freeways. Several of these sites were located in the city of Cleveland.

As it was our preference to build within the city, we further investigated the available sites in Cleveland. We were not able to locate one parcel of greenfield property within the city of Cleveland that would accommodate our needs. The existing brownfield sites within the city at that time caused us concern because of the uncertainty involved in the purchase of this type of property. For example, if the Phase 1 environmental impact shows that remediation would cost between \$6m - \$7m, one might figure that into the total cost of the new building. However, the uncertainty comes

in once you start the excavation and site preparation and discover additional problems in the soil. It can create exorbitant challenges as to how and where to move the contaminated materials. Timing and, of course, the budget for the project are key factors and we were apprehensive about potential legal entanglements that could elongate the development and most certainly add to the total monetary expenditure.

Although our objective was to invest in the economic development of the city of Cleveland, in 1994 we built our \$200 million production and distribution facility on 84 acres in Brooklyn, Ohio, approximately 10 miles from our downtown location. Approximately 450 jobs and the associated tax dollars were moved out of the city of Cleveland and into Brooklyn where they remain today. Not only were we unable to contribute to the city of Cleveland's economic revitalization, we increased the complexity of our own operation by operating out of two facilities in different cities. Although we have fine-tuned our processes since then, the situation has presented its challenges.

Since we felt strongly about having a presence in the heart of Cleveland, when we made the decision to build our new office building, we

tore down our existing structure and built on the same site. Even though we had additional land on which to build in Brooklyn, we felt a commitment to the city of Cleveland. Our new building represents a \$38 million investment in the city of Cleveland.

Our business is dependent upon the strength of our core, the city of Cleveland. We cannot move to the north, south, east or west. We are here to stay and the economic revitalization of our city is crucial to us. Incentives for brownfield redevelopment projects provide an excellent means for encouraging investment in the city of Cleveland and for cities across the country.

I want to thank the Chairman and the members of the Committee for allowing me the opportunity to appear before you today.